

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6501**

**BILL NUMBER:** SB 148

**NOTE PREPARED:** Feb 23, 2008

**BILL AMENDED:** Feb 21, 2008

**SUBJECT:** Social Services.

**FIRST AUTHOR:** Sen. Miller

**FIRST SPONSOR:** Rep. C. Brown

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill extends the authorization of the Office of the Secretary of Family and Social Services, certain divisions within the office, and the Office of Medicaid Policy and Planning to January 1, 2010. The bill repeals provisions providing for the expiration on January 1, 2008, of the Office of the Secretary of Family and Social Services, certain divisions within the Office, and the Office of Medicaid Policy and Planning. The bill provides that actions taken after December 31, 2007, under the expired provisions are legalized and validated to the extent the actions would have been legal and valid before January 1, 2008.

The bill establishes a state Family and Children's Reserve Fund.

The bill requires the Budget Agency to prepare an updated surplus statement each quarter.

The bill provides for a Department of Child Services Ombudsman. It creates a new Class A Misdemeanor. The bill also makes an appropriation of \$150,000.

**Effective Date:** (Amended) December 31, 2007 (retroactive); upon passage; June 1, 2008; July 1, 2008.

**Explanation of State Expenditures:** (Revised) *FSSA Authorization:* This bill extends to January 1, 2010, the expiration date of the administrative structure of Family and Social Services Administration (FSSA). The FSSA administrative offices affected are:

- (1) The Office of the Secretary of Family and Social Services.
- (2) The Office of Medicaid Policy and Planning.

The bill also extends to January 1, 2010, the expiration date of a statute that governs procedures of the Family and Social Services Committee and the division advisory councils and extends the expiration date of statutes that relate to certain powers of the directors of the following divisions:

- (1) Disability and Rehabilitative Services.
- (2) Family Resources.
- (3) Mental Health and Addiction.
- (4) Aging.

This bill will authorize the administrative structure of FSSA as it currently exists, to continue until January 1, 2010. The expiration of the statutory authority would not necessarily have an immediate fiscal impact depending upon the actions of the administration. Upon its statutory expiration on July 1, 1999, FSSA was extended by the Governor's executive order. Any potential fiscal impact from the termination of the authority for the positions would likely arise from the loss of appointing authority. Any potential fiscal impact of the termination of the entities authorized in the statute would involve the loss of rule-making authority as well as the federal single-state-agency designations, such as for Medicaid and Vocational Rehabilitation, that is vested in these entities.

Current salary and fringe benefit levels of the Secretary of FSSA, five broad-band executives, and four division directors total about \$1,366,213 per year. Potential costs associated with the Family and Social Services Committee (assuming 12 meetings per year) and the 3 division advisory councils (assuming 12 meetings per year per council) would be about \$38,000 per year. Therefore, the total expenditures associated with the ten administrative positions and the advisory bodies total about \$1.4 M per year. (If the statutory elimination of the offices were construed to include all individuals employed within the offices of FSSA, the total personnel costs associated with those positions would be significantly greater.)

(Revised) *Department of Child Services (DCS) Ombudsman Bureau*: The bill establishes the DCS Ombudsman Bureau within the Department of Administration. Ombudsman is defined to mean a person approved to investigate and resolve complaints. The Bureau may receive, investigate, and attempt to resolve complaints that the DCS endangered the health and safety of any person or that DCS violated specific laws, rules, or written policies. The Bureau may also review a child's death. At the conclusion of an investigation the Ombudsman is required to report the findings to the complainant. The bill requires the Bureau be given access to certain confidential records in order to complete an investigation. The bill requires the Department of Administration to provide and maintain office space for the Bureau and appropriates \$150,000 for the operation of the Bureau for FY 2009.

(Revised) *State Family and Children's Reserve Fund*: The bill establishes the State Family and Children's Reserve Fund to fund costs incurred by the Department of Child Services. The Reserve Fund may be used if the State Budget Director determines that revenues will be insufficient to fully fund costs in any particular year or the General Fund cash balance is insufficient to cover the expenditures. The Reserve Fund is nonreverting and consists of appropriations, transfers to the fund, and interest earned on the balance of the fund. The Budget Agency is required to administer the Reserve Fund. Amounts transferred from the Reserve Fund may be used only for paying costs incurred by DCS. The bill requires the Budget Agency to evaluate the level of funding in the Reserve Fund in any year that money is reverted to the General Fund and establishes guidelines on the size of the Reserve Fund.

(Revised) *State Budget Agency*: The bill requires the State Budget Agency to prepare a quarterly summary showing the total of actual and proposed state expenditures and income as well as the estimated state surplus

or deficit for the remainder of the current fiscal year and the current budget period.

**Explanation of State Revenues:** (Revised) *Class A Misdemeanor:* The bill establishes a Class A misdemeanor for: (1) intentionally interfering with the work of the Ombudsman; (2) knowingly offering compensation to an Ombudsman in an effort to affect the outcome of an investigation; (3) knowingly or intentionally retaliating against a person for providing information to an Ombudsman; and (4) making threats because of an investigation against the Ombudsman, the person filing a complaint, or a person providing information.

If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** (Revised) *Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

**Explanation of Local Revenues:** (Revised) *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Family and Social Services Administration; DCS; Department of Administration; State Budget Agency.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** State Staffing Table.

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